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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/812,704	03/19/2001	Charles Lewis	01-P-24995	9722

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EXAMINER
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GILLIGAN, CHRISTOPHER L

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 02/25/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

**Application No.**

09/812,704

**Applicant(s)**

LEWIS ET AL

**Examiner**

Luke Gilligan

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 25 January 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-37, 39-46, and 51-56 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-37, 39-46 and 51-56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

***Response to Amendment***

1. The declaration filed on 1/11/05 under 37 CFR 1.131 is sufficient to overcome the Young and McCarthy reference.
2. In the amendment filed 1/25/05, the following has occurred: claims 37, 39, 46, 51, and 55 have been amended and claims 38 and 47-50 have been canceled. Now, claims 1-37, 39-46, and 51-56 are presented for examination.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-37, 39-46, and 51-56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Freeman, Jr. et al., U.S. Patent No. 6,012,035 in view of Dang, U.S. Patent No. 6,370,511 and further in view of Davis and Hardy, **New Compensation Model Improves Physician Productivity** (hereinafter Davis).
5. As per claim 1, As per claim 1, Freeman teaches a method of managing a healthcare practice participating in an insurance network to enhance profitability of the healthcare practice with respect to a predetermined reimbursement amount for pharmacy costs, the method comprising: gathering data from each of a plurality of physicians in the healthcare practice participating in the insurance network regarding management of medical costs (see column 3, lines 10-15); identifying at least one of the plurality of physicians in the healthcare practice participating in the insurance network that prescribes medications that don't follow requirements of the insurance network (see column 9, lines 17-21 and column 10, lines 2-5).

6. Freeman does not explicitly teach gathering data regarding ancillary medical procedures and costs as defined by the claim. However, Dang teaches a healthcare management optimization system that includes the elements of monitoring and analyzing ancillary medical procedures by comparing data regarding providers' management of ancillary medical costs with established cost norms (see column 10, line 61 – column 11, line 18). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate this data gathering and analysis technique into the system of Freeman. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of lowering overall prescription costs to benefit the cooperative (see column 4, lines 30-37).

7. Additionally, Freeman does not explicitly teach identifying physicians at a greater risk of not receiving the predetermined reimbursement amount for the pharmacy costs from the insurance network and modifying the physicians management behavior to reduce the risk of not receiving the reimbursement amount. However, Davis teaches a physician compensation model that includes identifying physicians at a greater risk of not receiving a predetermined reimbursement amount for falling below targeted productivity levels (see paragraphs 21 and 22) and modifying the physicians management behavior to reduce the risk of not receiving the reimbursement amount (see paragraph 23). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate the steps of identifying and modifying physician behavior as described by Davis into the invention of Freeman. One of ordinary skill in the art would have been motivated to enhance the invention of Freeman as such for the purpose of lowering overall prescription costs to benefit the cooperative (see column 4, lines 30-37).

8. As per claim 2, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman further teaches gathering information regarding the medical costs of

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each of the plurality of physicians in the healthcare practice participating in the insurance network from a database associated with a pharmacy network, the database positioned on a server in communication with each of a plurality of pharmacies in the pharmacy network participating in the insurance network (see column 6, lines 35-41). Freeman does not explicitly teach ancillary medical procedures and costs as defined. However Dang teaches such an element as described above with respect to claim 1. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this element into the system of Freeman for the reasons given above with respect to claim 1.

9. As per claim 3, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman does not explicitly teach analyzing ancillary pharmacy costs as described. However, Dang further teaches calculating an average ancillary pharmacy cost per physician for healthcare practices, and identifying the physicians that have ancillary pharmacy costs that are a predetermined percentage greater than the average pharmacy costs per physician for the healthcare practice (see column 10, line 61 – column 11, line 18). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate this feature into the system of Freeman for the reasons given above with respect to claim 1.

10. As per claim 4, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman does not explicitly teach identifying at least one physician having the highest pharmacy costs within the healthcare practice. However, Dang further teaches identifying at least one physician having the highest pharmacy costs within the healthcare practice (see column 10, line 61 – column 11, line 18). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate this feature into the system of Freeman for the reasons given above with respect to claim 1.

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11. As per claim 5, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman does not explicitly teach modifying the physicians management behavior using education of benefits of alternative prescription medication. However, Dang further teaches educating physicians as to alternative medications to the prescribed medications and organizing continued medical education to educate each physician in the healthcare practice on the benefits of the alternative prescription medications (see column 1, line 53 – column 2, line 8). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate this feature into the system of Freeman for the reasons given above with respect to claim 1.

12. As per claim 6, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman does not explicitly teach preparing a list of prescription medications that the at least one physician may prescribe that enable a physician to receive the predetermined reimbursement amount for the ancillary pharmacy costs. Davis further teaches preparing a list of prescription medications that the at least one physician may prescribe that enable a physician to receive the predetermined reimbursement amount for the ancillary pharmacy costs (see paragraph 22 it is assumed that physicians would still be required to follow formulary guidelines). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to incorporate this feature into the system of Freeman for the reasons given above with respect to claim 1.

13. As per claim 7, Freeman in view of Dang and Young teach the method of claim 6 as described above. Freeman does not explicitly teach modifying a physician's management behavior by providing custom prescription medication forms for the physician. Davis discloses the step of modifying at least one physician's management behavior further comprises providing custom prescription medications forms that include prescription medications that the at least

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one physician may prescribe that enable a physician to receive the predetermined reimbursement amount for the pharmacy costs (see paragraph 22 and 23). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to combine this teaching of Young with the invention of Freeman for the reasons given above with respect to claim 1.

14. As per claim 8, Freeman in view of Dang and Young teach the method of claim 6 as described above. Freeman does not explicitly teach preparing a list of common prescription medications that are approved by each of a plurality of insurance networks so as to enable the at least one physician to receive the predetermined reimbursement amount for ancillary pharmacy costs. Davis further teaches preparing a list of common prescription medications that are approved by each of a plurality of insurance networks so as to enable the at least one physician to receive the predetermined reimbursement amount for ancillary pharmacy costs (see paragraph 23, it is assumed that any associated insurance network policies would be incorporated into these plans). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to combine this teaching of Young with the invention of Freeman for the reasons given above with respect to claim 1.

15. As per claim 9, Freeman in view of Dang and Young teach the method of claim 7 as described above. Freeman further teaches analyzing a patient's prescription history to thereby avoid possible adverse prescription medication reactions (see column 8, lines 54-67).

16. As per claim 10, Freeman in view of Young and Dang teach the method of claim 9 as described above. Freeman does not explicitly teach identifying at least one patient whose present prescription medications put the at least one physician at risk for not receiving the predetermined reimbursement and amending and discontinuing the at least one patient's prescription medications that put the physician at risk for not receiving the predetermined

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reimbursement. Davis teaches identifying at least one patient whose present prescription medications put the at least one physician at risk for not receiving the predetermined reimbursement and amending and discontinuing the at least one patient's prescription medications that put the physician at risk for not receiving the predetermined reimbursement (see paragraphs 22 and 23). It would have been obvious to one of ordinary skill in the art of healthcare management at the time of the invention to combine this teaching of Young with the invention of Freeman for the reasons given above with respect to claim 1.

17. As per claim 11, Freeman in view of Dang and Young teach the method of claim 10 as described above. Young further teaches mailing a first and second letter on a physician's letterhead informing the pharmacy and patient that the patient's present prescription medication is discontinued (see paragraphs 6 and 7, it is assumed that this is a standard procedure for discontinuing a course of medication).

18. As per claim 12, Freeman in view of Dang and Young teach the method of claim 1 as described above. Freeman further teaches updating each of the plurality of physicians in the healthcare practice of any changes in the management of pharmacy costs from the insurance network (see column 5, lines 58 – column 6, line 7).

19. Claims 13-23 contain substantially similar limitations for managing ancillary medical costs as claims 1-8 and 10-12 and, as such, are rejected for similar reasons as given above.

20. As per claim 24, Freeman in view of Dang and Young teach the method of claim 20 as described above. Freeman further teaches the ancillary medical costs include any costs taken from the group listed in claim 36 (see column 8, lines 44-53).

21. Claims 25-35 contain substantially similar limitations for managing ancillary medical costs as claims 1-8 and 10-12 and, as such, are rejected for similar reasons as given above.



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22. As per claim 36, Freeman in view of Dang and Young teach the method of claim 35 as described above. Freeman further teaches the ancillary medical costs include any costs taken from the group listed in claim 36 (see column 8, lines 44-53).

23. Claims 37-44 contain substantially similar additional system limitations as claims 1-8 and 10-12 and, as such, are rejected for similar reasons as given above.

24. As per claim 45, Freeman in view of Dang and Young teach the system of claim 44 as described above. Freeman further teaches the ancillary medical costs include any costs taken from the group listed in claim 36 (see column 8, lines 44-53).

25. Claims 46 and 51-55 contain substantially similar additional system limitations as claims 1- 10 and, as such, are rejected for similar reasons as given above.

26. As per claim 56, Freeman in view of Dang and Young teach the system of claim 54 as described above. Freeman further teaches the ancillary medical costs include any costs taken from the group listed in claim 56 (see column 8, lines 44-53).

### ***Response to Arguments***

27. In the remarks filed 1/25/05, Applicant argues in substance that the rejections in view of the Young reference should be withdrawn based upon the declaration presented. In response to Applicant's argument, the Examiner notes that the Young reference has been withdrawn, however, a new grounds of rejection in view of Davis have been applied.

### ***Conclusion***

28. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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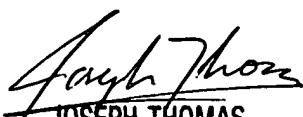
29. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

30. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Luke Gilligan whose telephone number is (703) 308-6104. The examiner can normally be reached on Monday-Friday 8am-5:30pm.

31. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

32. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
CLG  
2/17/05

  
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